
Ways & Means Committee

HB 2607

Brief Description: Requiring a six-year budget outlook tied to existing revenues.

Sponsors: Representatives Alexander, Hunter, Dammeier, Bailey, Parker, Angel, Kristiansen, Ross, Warnick, Seaquist, Haler, Finn, Rivers, Kelley, Dahlquist, Carlyle, Harris, Taylor, Buys, Wilcox, McCune, Orcutt, Zeiger and Shea.

Brief Summary of Bill

- Finds that a six-year budget outlook tied to existing revenues would help create sustainable budgets.
- Requires the Office of Financial Management to publish a six-year budget outlook (outlook) concurrent with release of the Governor's budget documents.
- Requires legislative fiscal committees to update the outlook prior to voting on an operating budget in committee or on the floor
- Requires outlooks to use the most recent revenue and caseload forecasts
- Requires outlooks to estimate the impact of all budget decisions with a delayed effective date or without an identified funding source.

Hearing Date: 2/1/12

Staff: Dave Johnson (786-7154).

Background:

State government operates on a fiscal biennium that begins on July 1 of each odd-numbered year. Historically, the state makes appropriations in three different budgets: operating, capital and transportation. The state enacts a biennial budget for the fiscal biennium. Supplemental budgets frequently are enacted in each of the following two years after adoption of the biennial budget (each odd-numbered year) and amend the biennial budget.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The operating budget makes appropriations for the operation of state government and its various agencies and institutions (including human services, natural resources and higher education), as well as for K-12 public schools. Appropriations for the acquisition of capital assets or for transportation activities are typically contained in the capital and transportation budgets.

Each December, the Governor is required to submit a budget request along with certain supporting materials outlined in statute. The Governor is required to use the most recent official caseload and revenue forecasts in his or her budget submittal. In addition, the Governor's budget submittal is required to use only estimated revenues for the fiscal period from the source and at the rates existing by law at the time of submission of the budget document although he or she may include budgetary revenue transfers. The Governor may additionally submit, as an appendix to a supplemental or biennial budget, a proposal for expenditures from revenue sources derived from proposed changes in existing statutes.

In some years, the Governor has chosen to submit a six-year operating budget outlook (outlook) along with his or her budget request. When submitted, the outlook has typically compared general fund resources and expenditures over a six-year time horizon beginning with the current biennium.

Legislative procedures for considering and voting on legislation are generally established in the state constitution or by legislative rule. For example, House Rule 10 requires that each bill be read on three separate days, and for budget bills House Rule 12 requires 24 hours between third reading of the bill and the vote on final passage. In general, legislative rules may be waived with a two-thirds vote.

Summary of Bill:

The Legislature finds that a six-year budget outlook tied to existing revenues will help legislators and citizens plan for and create sustainable operating budgets.

When the Governor submits his or her operating budget documents to the Legislature, the Office of Financial Management (OFM) must simultaneously publish a six-year outlook that is based on the Governor's budget documents. The revenue and caseload projections used in the six-year outlook must be based on the most recent official forecasts adopted by the Economic and Revenue Forecast Council and the Caseload Forecast Council, adjusted by OFM for policy changes made in the Governor's budget documents.

Before a standing committee or either chamber of the Legislature votes on an operating budget, the respective house's fiscal committee that has jurisdiction over the operating budget must publish a summary document estimating how that operating budget proposal changes OFM's six-year outlook. The summary document must also be updated to reflect the most current forecast revisions adopted by the Economic and Revenue Forecast Council and the Caseload Forecast Council.

"Vote" is defined to mean the vote on a majority recommendation in the case of a legislative committee and the vote on third reading in the case of either the Senate or the House of Representatives.

Six-year budget outlooks required by this act must also include an estimate of all budget decisions for which no specific funding source is identified and for programs with a delayed effective date.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.